

# Weekly Economic Review

## Alberta's strong job growth pauses in July

### Labour Market

Employment growth pauses in July  
Alberta employment took a breather last month following large job gains in May and June. The number of jobs in Alberta dipped by 5,000, due to losses in the public sector and self-employed positions. July marks a small aberration from an otherwise positive trend. Alberta has added 62,600 jobs over the last twelve months, a province-leading 2.8% year-over-year (y/y) gain.

The manufacturing industry was a bright spot in Alberta, adding 12,200 jobs in July, its largest monthly increase on record. Conversely, construction employment fell by 16,500 in July, its largest monthly loss on record, after adding 23,200 jobs in June.

Alberta's labour force shrank significantly last month, as fewer people searched for work. This caused the unemployment rate to fall to 4.5%, 0.4 percentage points lower than in June, its lowest level since February. The unemployment rate has stayed in the 4-5% range over the last two years despite an impressive run-up in employment. A rising supply of labour, primarily from people moving to Alberta, has filled job vacancies and provided balance to the overall labour market (Chart 1).

### National employment growth situation remains weak

The July report provided little relief to Canada's languishing job growth. Canadian employment was unchanged (+200) last month, failing to make up for June's 9,400 decline and missing market expectations for a 20,000 increase. Over the past 12 months only 115,300 jobs have been created in Canada, a modest 0.7% increase. Alberta has accounted for over half of those new jobs.

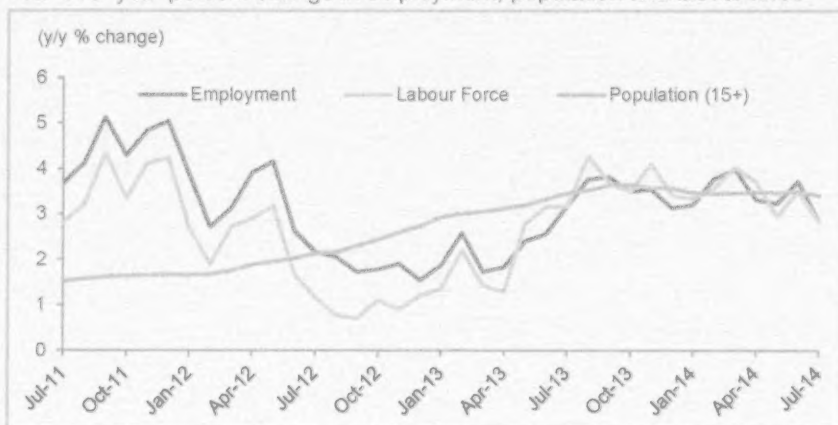
### International Merchandise Trade

#### Exports continue to climb

Alberta's merchandise trade increased 28.6% y/y in June, led by substantial growth in farm & intermediate foods and energy exports (Chart 2). The strong growth in June was in part due to a rebound from the floods in June 2013, which caused facility closures and delays in the transportation of exports. The supply

Chart 1: Alberta's strong labour market growth steps back in July

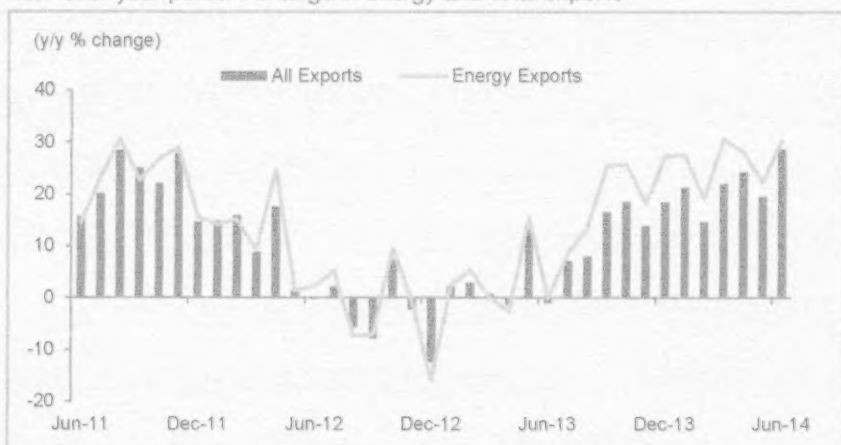
Year-over-year percent change in employment, population and labour force



Source: Statistics Canada

Chart 2: Exports continue to push higher

Year-over-year percent change in energy and total exports



Source: Statistics Canada

disruptions last year led to abnormally high growth in food products (94.6%) this June, with food products recovering following the re-opening of food processing facilities. Likewise, energy products (30.3%) posted stellar growth, aided by fewer transportation constraints and higher prices for crude oil and natural gas. Total exports grew 24.0% in the second quarter and are up 21.7% in the first half of this year compared with the same period last year.

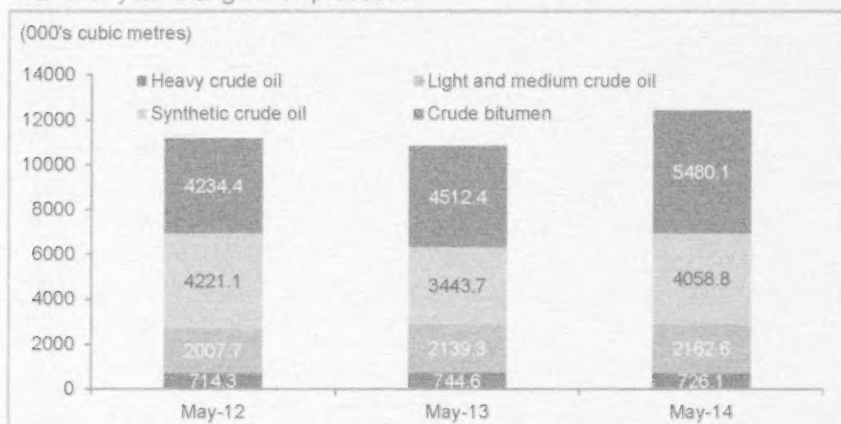
## Supply and Disposition of Crude oil and Natural gas

### Synthetic crude production recovers

Alberta's crude oil production was up 14.6% in May, thanks to higher synthetic crude oil (SCO) and bitumen production. SCO production has lagged over the

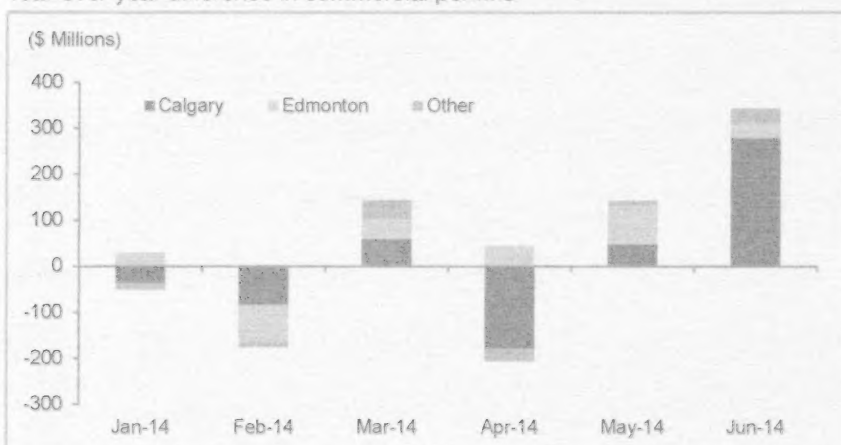
last few months due in part to planned upgrader maintenance. As a whole, Alberta upgraders appear to have completed turnarounds faster this year compared with last year, leading to a 17.9% y/y production increase in May, which is a seasonally low production month. Crude bitumen also posted impressive gains, up 21.4%, as production continues to ramp up at many projects (Chart 3). Output of natural gas edged up 3.0% in May. Natural gas production is up 9.7% year-to-date.

Chart 3: Synthetic crude and bitumen lead production growth  
Year-over-year change in oil production



Source: Statistics Canada

Chart 4: Calgary driving commercial permit growth  
Year-over-year difference in commercial permits



Source: Statistics Canada

## Building Permits

### Commercial permits drive growth

Alberta municipalities issued building permits worth \$1.7 billion in June, the highest value of permits since May 2007. Permit values increased 25.5% over June 2013, and an impressive 13.0% from the previous month. Year-over-year growth was spurred by robust gains in commercial permit values (95.5%), triggered by a spike in permits in Calgary (Chart 4). Industrial permits also soared in June (44.2%), though they have struggled to find consistent growth this year. The value of residential permits jumped 12.5% y/y, with strong growth in Calgary and Edmonton.

## International Trade

### Russia imposes sanctions

Russia has banned imports of food products from some Western countries, including Canada. The import bans were in response to sanctions imposed by Western nations on individuals close to the Russian government. Canada sent \$1.4 billion in exports to Russia in 2013, including roughly \$260 million in pork products, which could be affected by the sanctions.

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Please see the [Alberta Economy- Indicators at a Glance](#) for a snapshot of Alberta indicators.